



Overpayment Recovery – Official Error

This procedure explains the corrective action that needs to be taken when funds have been assigned and subsequently paid out on an incorrect case following incorrect action being taken by operations. This process does not cover funds that have incorrectly assigned due to a payment being incorrectly referenced when received by the Child Maintenance Service (CMS), for more information on this process refer to [Payment - Reassign](#).

Action on this process will be taken by the Client Funds Account Team (CFAT), Banking Payment Assignment Service (BPAS) and operational caseworkers.

This process uses funds from the GBFS admin account (1000710031580016) or the NIFS admin account (3000710032580047) depending on the cases jurisdiction. These funds are used to reassign the payment to the correct case. Following this, action needs to be taken by operations to recover the overpayment from the incorrect case.

The payment in question will have also satisfied liabilities on the incorrect case leaving it in an incorrect position and the paying parents (PP) account showing that they owe less than it should. To correct this, action needs to be taken to catch the payments made by the PP back up to the amount shown in the liability schedule.

For more information refer to the Policy, Law and Decision Making Guidance 



This procedure uses the terms receiving parent and paying parent.

The receiving parent is the parent who receives or who is expected to receive child maintenance, known as the parent with care (PWC) or person with care (PeWC) on the system and in legislation. The paying parent is the parent who pays or who is expected to pay child maintenance, known as the non resident parent (NRP) on the system and in legislation.

Allocation error identified

- All requests must initially go through Banking Payment and Assignment Services (BPAS). When a possible allocation error has been identified by an operational caseworker, send an email to **CM 2012 Scheme Managing Exceptions** including the following Details:
 - The SCIN of the paying parent the funds have been incorrectly allocated to
 - The amount of the payment
 - The date of the payment
 - The cash balance on the incorrect paying parents account
 - The SCIN of the paying parent the funds should have been allocated to
 - The reason you believe this payment was received for another case

BPAS action

- Following receipt of the above information investigate the issue to ensure it is correct and identify the cause of the misallocation, for example, 'bulk payment allocated to one client by the employer team even though correct schedule data was received from the employer'.
- Once your investigations are complete:
 - For reassignment from one 2012 case to another (regardless of the cash balance) raise a reassignment service request (SR), for more information refer to [Payment - Reassign](#) and email the Client Funds Account Team (CFAT) at **CM 2012 Scheme CFAT Banking & Accounting** with the information you received from the caseworker the cause of the misallocation and the reassignment SR number
 - For reassignments from a 2012 case to a 1993/2003 scheme case email CFAT at **CM 2012 Scheme CFAT Banking & Accounting** with the information you received from the caseworker and the cause of the misallocation

CFAT action

- Upon receipt of the above information, check the accounts to determine if there are any funds available to be reassigned. For 2012 reassignments go to step 5, for 1993/2003 reassignments go to **step 6**.

2012 reassignment

- Close/Cancel the reassignment SR, leaving a note explaining sufficient funds aren't available on the case and complete and admin drawdown on the correct case through the Client Account Funds Team (CFAT). Once the admin drawdown has been completed, go to **step 12**.

1993/2003 reassignment

- Create and log a journal voucher of the type '**BaNCS - Reassignment PP to CSA**' with the following postings:
 - Debit - Paying Parent Account**
 - Credit - GBFS-Reassignment Suspense Account**
 - Debit - GBFS-Reassignment Suspense Account**

- **Credit - CSA Payment Account**

7. Access BaNCS and navigate to the **Reassignment - Wrong Credit Reversal** screen and complete the following fields:

- **From Deposit Account** - Paying Parents BaNCS account number
- **Amount** - The amount to be transferred to the 1993/2003 scheme
- **To G/L Account** - GBFS-Reassignment Suspense Account number
- **Promo Number - R1: Return**
- **MOP Type - REA**
- **TRAN Type - RETN**
- **REF No** - The JV number and 'correction'

8. Once the fields are populated and a management check has been completed select **Transmit**. A green dot will appear in the bottom left corner of BaNCS if the posting has been successful.

9. Go into BaNCS and navigate to the **Reassignment - Reassignment Posting** screen and complete the following fields:

- **From G/L Account** - GBFS-Reassignment Suspense Account number
- **Amount** - The amount to be transferred to the 1993/2003 scheme
- **To G/L Account** - CSA Payment Account number
- **Promo Number** - Leave blank
- **MOP Type - REA**
- **TRAN Type** - Leave blank
- **REF No** - The correct paying parents national insurance number

10. Once the fields are populated and a management check has been completed select **Transmit**. A green dot will appear in the bottom left corner of BaNCS if the posting has been successful.

11. Following the transfer of the funds the 2012 clients account will now be overdrawn, complete an admin drawdown to cover the overdraft amount.

Commence recovery action

12. Open the **overpayment recovery - official error** control log and complete the paying parents, receiving parents and overpayment amount fields.

13. Email **CM 2012 Scheme Managing Exceptions** and explain the action you have taken including the amount that needs to be recovered from the overpaid receiving parent.

BPAS action

14. Upon receipt of an email from CFAT explaining corrective action has been taken, contact the 2012 caseworker and explain to them recovery action needs to be taken on the incorrect case. Ask them to contact the overpaid receiving parent to request repayment and also ask the caseworker to set a manual allocation flag on the case.

2012 operational caseworker action

15.  Contact the overpaid receiving parent and ask if they will repay the overpayment. If the receiving parent agrees to repay, you need to follow the process for creating a repayment schedule. For more information refer to [Repayment Schedule - Set Up](#). Whilst repaying this amount advise the receiving parent to use the reference 'MP174 (followed by their SCIN)', this will enable the correct action to be taken by BPAS once received into suspense. If contact has been unsuccessful issue CMSL3211 to the receiving parent.

16. If the receiving parent does not agree to make any repayments or does not respond, the case will need to be placed into three monthly review to establish if any recovery action can be started. For further guidance on deciding whether it is appropriate to request that the receiving parent repays the overpayment, and whether a repayment schedule should be issued, refer to the Policy, Law and Decision Making Guidance .

17. In order to begin corrective action on the overpaid cases liabilities, create a manual allocation flag. For more information refer to [Manual Allocation Flag - Set Up](#). Taking this action will notify you each time a payment is received, allowing you to complete step 20 and begin the necessary corrective action.

18. Send an email to **CM2012 Scheme CFAT Banking & Accounting** with the subject 'MP174 Corrective Action' including the following details:

- The SCIN of the overpaid receiving parent
- Receiving parent agreed to repay - Y/N
- Further action being taken if N - explain the action to be taken, for example 'further contact to be attempted in three months'
- Manual allocation flag set - Y/N

CFAT action

19. Once confirmation has been received that caseworker action has been completed, update the **overpayment recovery - official error** control log and create a cost against the paying parent to ensure their arrears are showing correctly on the system. For more information refer to **Create Cost**.

Manually allocate funds SR received

2012 operational caseworker action

20. When a **manually allocate funds, allocate to account** SR has been received, this will indicate funds have been received and cleared in the paying parents account and are ready to be allocated to the receiving parent. Do not complete this SR, as there has been an overpayment on the case, the liabilities are incorrect and show the PP to have paid more than they actually have. To correct this any funds received on the case up to the amount the liabilities are out by will need to be paid to the receiving parent via the suspense account. To instigate this action, email **CM 2012 Scheme CFAT Banking & Accounting** with the subject 'MP174 liability correction' including the following details:

- The SCIN of the paying parent
- We have received £X.XX for the above client, due to a previous official error on the case please pay this to the receiving parent via suspense to the following details:
- The receiving parents name
- The receiving parents bank account number
- The receiving parents sort code

CFAT action

21. When contacted to pay funds to the receiving parent via the suspense account, access the clients account and check the provided details are correct. From the payment received the paying parents collection fee will need to be deducted and transferred to the collection charge admin account. Calculate 16.67% of the total amount and create and log a journal voucher of the type '**BaNCS - PP Collection Charge**' with the following postings:

- **Debit - Paying Parent Account**
- **Credit - GBFS-Reassignment Suspense Account**
- **Debit - GBFS-Reassignment Suspense Account**
- **Credit - GBFS-Collection Charge Admin Account**

22. Access BaNCS and navigate to the **Reassignment - Wrong Credit Reversal** screen and complete the following fields:

- **From Deposit Account** - Paying Parents BaNCS account number
- **Amount** - The amount to be transferred to collection charge admin
- **To G/L Account** - GBFS-Reassignment Suspense Account number
- **Promo Number - R1: Return**
- **MOP Type - REA**
- **TRAN Type - RETN**
- **REF No** - The JV number and 'correction'

23. Once the fields are populated and a management check has been completed select **Transmit**. A green dot will appear in the bottom left corner of BaNCS if the posting has been successful.

24. Go into BaNCS and navigate to the **Reassignment - Reassignment Posting** screen and complete the following fields:

- **From G/L Account** - GBFS-Reassignment Suspense Account number
- **Amount** - The amount to be transferred to collection charge admin
- **To G/L Account** - GBFS-Collection Charge Admin Account
- **Promo Number** - Leave blank
- **MOP Type - REA**
- **TRAN Type** - Leave blank
- **REF No** - The paying parents BaNCS number followed by '...Col Chg'

25. Once the fields are populated and a management check has been completed select **Transmit**. A green dot will appear in the bottom left corner of BaNCS if the posting has been successful.

26. Following transfer of the paying parent collection fee, from the remaining amount of the payment, 4% will need to be transferred to cover the receiving parents collection fee. Create and log a journal voucher of the type '**BaNCS - RP collection charge**'. This journal will use the same accounts and screens as per steps 21 to 25 but will need to include the receiving parents BaNCS number in the reference.

27. Once both collection fees have been removed, the remaining balance can be transferred to suspense to allow BPAS to make the payment out to the receiving parent. Create and log a journal voucher of the type '**BaNCS - Reassignment PP to Suspense**' with the following postings:

- **Debit - Paying parent account**
- **Credit - GBFS-Credit Suspense account**

28. Access BaNCS and navigate to the **Reassignment - Wrong Credit Reversal** screen and complete the following fields:

- **From Deposit Account** - Paying Parents BaNCS account number
- **Amount** - The amount to be transferred to the GBFS-Credit Suspense account
- **To G/L Account** - GBFS-Credit Suspense account
- **Promo Number - R1: Return**
- **MOP Type - REA**
- **TRAN Type - RETN**
- **REF No** - A unique reference to allow BPAS to easily identify the payment

29. Once the fields are populated and a management check has been completed select **Transmit**. A green dot will appear in the bottom left corner of BaNCS if the posting has been successful.
30. Forward the caseworkers email to **CM 2012 Scheme Managing Exceptions** explaining what action you have taken, requesting BPAS to make a non standard payment from the suspense account to the bank details provided the following day once the discrepancy log SR has generated.
31. Amend the cost on the case by the amount that that has been removed from the paying parents cash balance. For more information refer to [Create Cost](#).
32. Access the **overpayment recovery - official error** control log and update the totals in the liability correction section.
33. Once the payments made by the paying parent are up to date and match the liability schedule there is no longer a need to make payments through suspense. Email the caseworker back and explain no further action is required regarding the liability schedule and the manual allocation flag can now be removed allowing any future payments received to be allocated by the system as per the 2012 system payments hierarchy.

BPAS action

34. You will receive an email from CFAT advising that a payment has been transferred off the case into suspense. The day after the transfer has been completed by CFAT a discrepancy log SR will generate and allow you to complete a non standard payment to the receiving parent details supplied by the caseworker. For more information refer to [Payment - Non Standard](#).
35. Once the non standard payment has been issued, close the discrepancy log SR and email the caseworker to advise them your action has been completed.

2012 operational caseworker action

36. Once advised by BPAS that the payment has been made, no further action is required. The above process (from step 20) will repeat with each payment received until the payments made by the paying parent have caught up with the amount satisfied in the liability schedule.
37. If you receive an email from CFAT advising no further payments need to be paid out via suspense you can now remove the manual allocation flag on the case. For more information refer to [Manual Allocation Flag - Remove](#).

Repayment received from receiving parent

BPAS action

38. During discrepancy log SR processing, if you identify a payment with a reference starting 'MP174....' this payment is owed to the admin account. Email **CM2012 Scheme CFAT Banking & Accounting** with the subject 'MP174 payment received into suspense' and include the following details:
- Discrepancy log SR number
 - Payment amount
 - Payment MRN
 - Client SCIN
39. Update the notes in the SR to advise the payment is an overpayment recovery and CFAT have been informed and will be moving the payment to admin. Close the discrepancy log SR.

CFAT action

40. When you have been notified that there is a payment in suspense that needs transferred to admin, create and log a journal voucher of the type '**BaNCS - Suspense to Admin**' with the following postings:
- **Debit - GBFS-Credit Suspense Account**
 - **Credit - GBFS-Admin Account - Payments**
41. Access BaNCS and navigate to the **Reassignment - Reassignment Posting** screen and complete the following fields:
- **From G/L Account** - GBFS-Credit Suspense Account
 - **Amount** - The amount to be transferred admin

- **MRN** - The payments matching reference number
 - **To G/L Account** - GBFS-Admin Account - Payments
 - **Promo Number** - Leave blank
 - **MOP Type** - Leave blank
 - **TRAN Type** - Leave blank
 - **REF No** - The PPs BaNCS number (as detail in the admin drawdowns and recoveries log)
42. Once the fields are populated and a management check has been completed select **Transmit**. A green dot will appear in the bottom left corner of BaNCS if the posting has been successful.
43. Update the **overpayment recovery - official error** control log with the amount that has been recovered, add a note on CMS2012 to record receipt of the payment into suspense and email the owning caseworker to make them aware of the action that has been taken.

NI exception

All GB specific accounts mentioned within the detail of the procedure will be replaced by the NI equivalent account where and NI case is involved in this process.

CMSL3211 [Please contact us as soon as possible about an overpayment](#)

To advise a receiving parent that an overpayment has been made and for them to contact us.